

## **Illiana Expressway**

[www.illiana.in.gov](http://www.illiana.in.gov)

### **The Illiana Expressway solves serious traffic problems that burden Northwest Indiana**

- 300,000 vehicles travel between Indiana and Chicago each day on the Borman, US 6, US 30, the Indiana Toll Road and local streets
- In Indiana, the Borman Expressway (I-80/94) is the state's second busiest highway and half of the traffic is semi-trucks
- The number of trucks that use the Borman is expected to increase by 50 percent in the next 20 years. Right now, there are 28,000 per day
- The metropolitan planning organization for Northwest Indiana estimates that the Illiana Expressway may reduce truck traffic on US 30 by 59 percent and by 22 percent on the Borman.
- The current expansion of the Borman Expressway is the last because there is no additional land available. This expansion is expected to handle traffic growth for about 15 years.

### **Relieving congestion saves Hoosiers money and time**

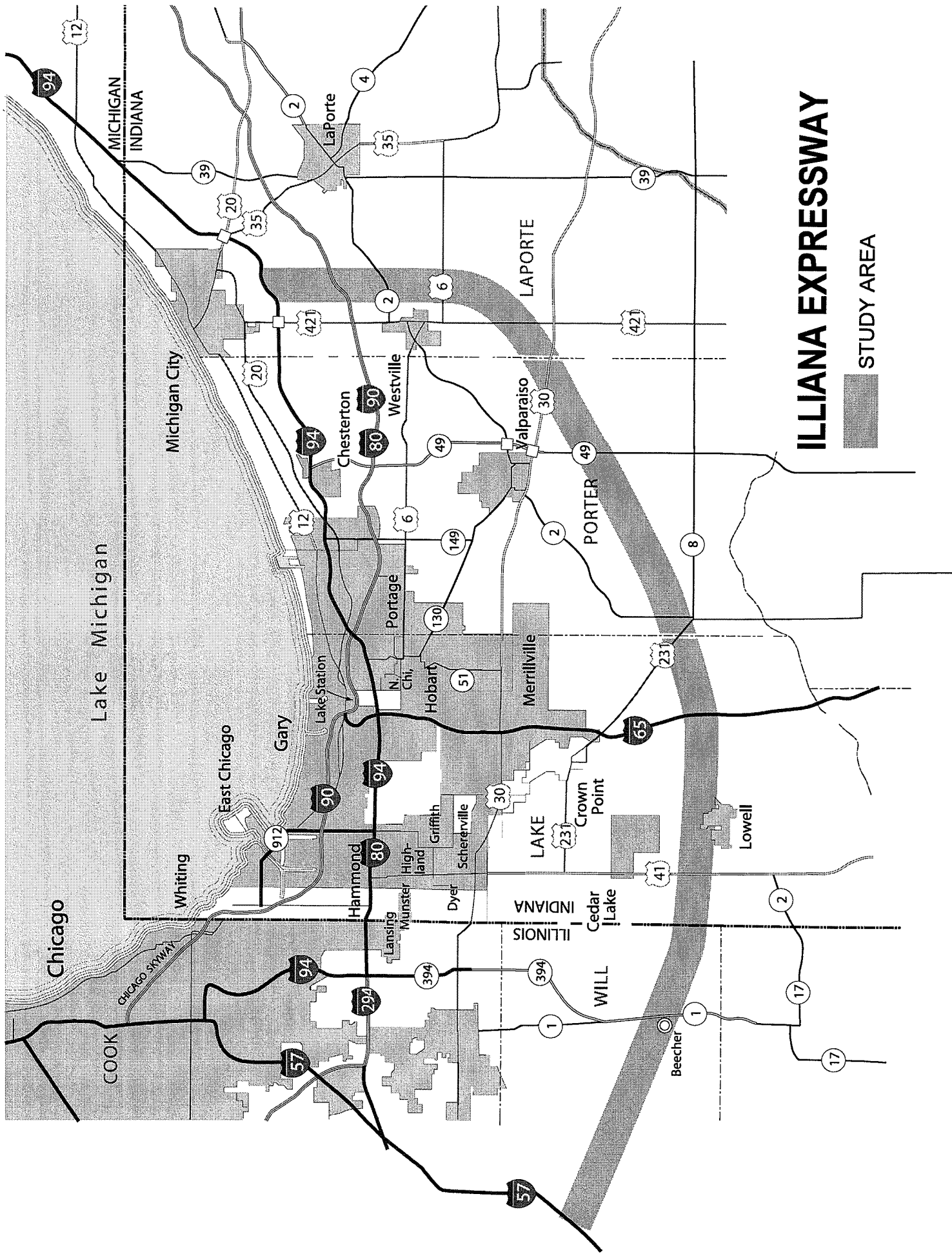
- Wasted fuel and time delays cost each traveler in northwest Indiana and Chicago nearly \$1,000 annually, according to the Texas Transportation Institute
- Delays due to congestion cost the trucking industry and its customers a minimum of \$8 billion annually, according to a 2005 Federal Highway Administration study

### **In Indiana, the Illiana can only be built using a public-private partnership (P3)**

- The Indiana and Illinois departments of transportation have signed an agreement to study potential locations for a new interstate-quality highway, known as the Illiana Expressway, connecting I-57 in Illinois to I-94 in Indiana
- Private entities have greater financial flexibility than government and P3 agreements can accelerate road construction and use private resources and personnel in lieu of constrained public resources
- The Illiana Expressway has been in demand for several years, but the state was never able to fund it. If the market is favorable, a P3 agreement will solve that problem, and the road will be built
- Truck-only lanes will be evaluated along with the latest technology to facilitate the efficient movement of traffic and freight

### **Indiana retains ownership of the highway**

- If the Indiana General Assembly passes legislation enabling INDOT to pursue public-private partnerships (P3), the 50-mile Indiana segment will be financed, designed, built and maintained with private funds, not tax dollars, and operated under contract as a toll road
- The Illiana Expressway will be a public asset owned by the State of Indiana
- The Illiana Expressway must be maintained to state and federal standards
- The state will be responsible for establishing and approving the toll rate structure



## **Public-Private Partnerships**

Public-private partnerships (P3) refer to contractual agreements formed between government and businesses that allow for greater private sector investment in the delivery of transportation projects.

### **P3 is the future of road building and will become commonplace in the years ahead**

- As private entities have greater financial flexibility than government, P3 agreements accelerate road construction and use private resources and personnel in lieu of constrained public resources.
- Governor Daniels has announced he will work with the Indiana General Assembly to pass legislation enabling INDOT to explore P3 agreements for the Indiana Commerce Connector and the Illiana Expressway
- In P3 agreements, private sector funding is used to design, build, finance, maintain and operate a public facility
  - In return for paying to create the road, and also paying a premium above this cost, the company collects tolls on the facility for a designated time period
  - The highway remains a publicly-owned asset, and it must be maintained to state and federal standards
  - State officials monitor the management of the facility and set the parameters for toll increases over the life of the agreement

### **Tax revenues are not keeping pace with rising transportation costs and demand**

- The Federal Highway Trust Fund will be in deficit by 2010
- The last federal fuel tax increase was in 1993
- The last Indiana gasoline tax increase was 3 cents per gallon in 2003, and before that had been unchanged since 1987. Of those 3 cents per gallon, only 1 cent goes directly to the State Highway Fund for preservation and construction.
- If Hoosiers want more jobs and a vibrant economy, we need to look at innovative ways to fund a transportation upgrade.

### **Indiana is a model and other states are taking notice of our leadership**

- Governor Daniels has received national recognition and awards for his leadership and use of public-private partnerships in addressing Indiana's transportation infrastructure needs
- For the Indiana Toll Road P3 agreement, Indiana received \$3.8 billion for a private company to assume operation of the highway
  - The toll road had lost money three out of the past five years, more than \$16 million in 2005 alone
  - In the first six months under new management, the company has initiated several improvement projects, totaling nearly \$300 million, that had been delayed for years by the state because funds were not available
  - The private company is contractually obligated to perform at least \$4 billion in improvements to the Toll Road – in addition to the money the state received for the lease
- The nation is studying Indiana's P3 experience as a prototype for transportation solutions.
  - Chicago, Texas, California and Virginia also have implemented P3 agreements to pay for key road projects
  - Pennsylvania's Democrat governor recently announced the state would solicit expressions of interest from private firms to determine the potential value of the Pennsylvania Turnpike. The state received responses from 48 interested firms, and a bill is pending in the Pennsylvania legislature to enable the state to enter into such agreements.
  - At the end of 2006, 21 states and one U.S. territory had laws providing the legal authority for private sector participation in transportation projects to varying degrees

## **A High-Quality Transportation Network Drives Indiana's Economy**

### **Expanding Indiana's economy depends on a comprehensive transportation network**

- Toyota Motor Manufacturing points to "excellent rail and highway systems" as one of the key reasons they chose Indiana for two manufacturing facilities
- Valeo Sylvania in Seymour; Nestle in Anderson; Pfizer in Terre Haute; Dot Foods in Wayne County; and American Commercial Lines in Jeffersonville are among the many companies adding hundreds of jobs and investing billions of dollars in communities with easy access to interstates
- 80 percent of new business investments secured by the Indiana Economic Development Corporation (IEDC) are located in counties with interstate-quality access
- Four out of five companies selecting sites for new facilities or expanding existing operations chose counties with interstate-quality highways
- Between 1974 and 2004, the increase in per capita personal income of Hoosiers living in counties with interstate-quality facilities was 20 percent higher than their fellow citizens in counties without these roads
- Of the top 25 fastest-growing counties, all but two are served by interstate-quality highways

### **Traditional highway revenues to build new facilities are dwindling**

- Gas tax revenues, the traditional source of highway funding, are not keeping pace with the road construction and maintenance costs
- States are struggling to maintain their existing highways
- The Federal Highway Trust Fund will be in a deficit by 2010
- The federal government and states are searching for new models to fund and maintain highways including the use of public-private partnerships

### **Indiana leads the nation in solving the transportation funding dilemma**

- Thanks to Governor Daniels' Major Moves transportation program, Indiana has the only 10-year, fully-funded highway construction program in the United States
- Indiana is a national model and other states are taking notice of our leadership
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- At the end of 2006, 21 states and one U.S. territory had laws providing P3 authority

### **Public-private partnerships can make new highways a reality**

- No taxpayer money is necessary. Private funds pay for the design, construction, maintenance and operation of the highway
- In December, Texas opened a 40-mile segment of the Central Texas Turnpike one year early and \$400 million under budget
- In Virginia, the \$350 million Dulles Greenway cut rush hour travel times to the airport in half
- The \$635 million South Bay Expressway in San Diego is set to open in early 2007. First envisioned in 1959, a lack of funds prevented its construction until this public-private partnership was established
- At the Indiana Toll Road, in the first six months under private management, the company initiated several improvement projects, totaling nearly \$300 million, that had been delayed for years by the state because funds were not available
- Private management of the Indiana Toll Road resulted in Indiana receiving \$3.8 billion for state highway and local road projects. Indiana now has a fully-funded 10-year highway construction plan
- States retain ownership of highways
- Facilities must be maintained to state and federal standards
- Agreements can produce a premium that can be utilized for other unfunded transportation projects